



STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202-6700

MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

410-625-5555 • 1-800-492-5909
TTY Users: call via Maryland Relay
sra.maryland.gov

**Testimony in Support of Senate Bill 489
State Retirement and Pension System - Personal Statement of Benefits - Authorized Format**

Senate Budget and Tax Committee

**February 8, 2024
9:00 A.M.**

**Anne Gawthrop
Director of Legislative Affairs
State Retirement Agency**

The Board of Trustees for the State Retirement and Pension System wishes to express its support for Senate Bill 489, State Retirement and Pension System - Personal Statement of Benefits - Authorized Format. Senate Bill 489 is legislation sponsored by the Joint Committee on Pensions at the request of the Board.

With the advent of MySRPS, the State Retirement Agency (Agency) believes that the personal statement of benefit (PSB) for active members has become obsolete. Section 21-112 of the State Personnel and Pensions Article requires the Board to provide each member with a summary of the benefits they have accrued, including: (1) the member's vested benefits or the benefits the member will be entitled to once they are vested; (2) the date when the member was or will be vested; and (3) the present value of any annuity the member has earned. Historically, the Agency has provided this information to the System's members in September of each year, for benefits earned as of June 30 for the immediately preceding fiscal year. For the last three years, PSBs have not been mailed to members, but sent to their MySRPS accounts. Senate Bill 489 would enable the Agency to provide this information to the System's members through their MySRPS accounts, without having to create a PSB for each member.

When members receive their annual PSB in September, the information included in the document is membership information that is already three months old. As a result, this information conflicts with the information that is provided on MySRPS that contains updated information. These discrepancies cause confusion and concern for the members who call the Agency wanting explanations regarding these differences.

Additional problems with the production of the PSBs each year include the computer logic that is used to produce these documents. The PSBs were created long before MySRPS; this antiquated logic now only serves to generate the PSBs. As a result, prior to the PSBs being added to a member's MySRPS account, staff must sample hundreds of accounts. This sampling includes checking data points that are already included on MySRPS. When preparing the PSBs last summer, staff encountered technical issues with the programming used to create the PSBs that delayed the release of the PSBs by several weeks.

BOARD OF TRUSTEES

Dereck E. Davis, *Chair*
Linda Vaughn Allen
Jamaal R. A. Craddock
James P. Daly, Jr.

Ayana K. English-Brown
Helene Grady
Sheila Hill

Michael J. Howard
Richard E. Norman
Mia N. Pittman

Brooke Lierman, *Vice-Chair*
Douglas Prouty
Michelle RhodesBrown
Robert F. Sandlass, Jr.

Martin Noven, *Secretary to the Board*

To prepare members for no longer receiving a PSB on their MySRPS account, notice of this change will be included in The Mentor (the active member Agency newsletter that is mailed to all active members), and on the Agency's website. Additionally, postcards will be mailed to the System's active members over the 2024 summer informing them that the Agency will no longer be issuing PSBs and encouraging members to set up a MySRPS account. Because PSBs are only sent to active members, we feel confident that for those members that do not have a computer at home, many will have access to computers at work where they can set up their MySRPS account. For those that do not feel comfortable using their computers at work, MySRPS can be accessed from smart phones with internet capability. For those members that do not have access to a computer or a smartphone, they can continue to call the Agency for this information.

We appreciate being given this opportunity to express our support to the Budget and Tax Committee for this legislation and would request a favorable report on Senate Bill 489.